# GOVERNMENT OF INDIA
# CIVIL AVIATION
# LOK SABHA

STARRED QUESTION NO:102
ANSWERED ON:31.07.2000
LOSSES IN AIR INDIA AND INDIAN AIRLINES
RAGHUNANDAN LAL BHATIA;T. GOVINDAN

**Will the Minister of CIVIL AVIATION be pleased to state:**

(a) the amount of loss suffered or profit earned by the Air India and Indian Airlines during each of the last three years, separately indicating the reasons therefor;

(b) the details of the increase in the pay, perks, allowances and other amenities made for their employees during the last five years and the total burden thereof on the budget of these airlines, separately;

(c) whether the aircrafts of Indian Airlines and Air India are very old;

(d) if so, the details thereof;

(e) the number of aircraft with the Indian Airlines and the Air India which have already consumed their official flying hours and are still in operation;

(f) whether operation of these old aircraft is a great risk to the life of passengers travelling in these aircraft;

(g) if so, whether there is any proposal to procure new aircraft for Indian Airlines and Air India; and

(h) if so, the details thereof and steps taken in this regard?

## Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b), (c), (d), (e), (f), (g) and (h) : A statement is laid on the table of the House.

STATEMENTINREPLYTO LOK SABHA STARRED QUESTION NO.102 FOR 31.07.2000 REGARDING LOSSES IN AIR INDIA AND INDIAN AIRLINES.

(a): Details are as under:-

(Rupees in crores)

| Year | Air India Loss | Indian Airlines Net Profit |
|---|---|---|
| 1997-98 | 181.01 | 47.27 |
| 1998-99 | 174.48 | 14.17 |
| 1999-2000 (provisional) | 075.30 | 39.25 |

Indian Airlines is making profit since 1997-98. However, Air India is incurring losses since 1995-96 due to increase in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased discounting in the market and cost of

operations, increase in wage bill and other staff cost and landing, handling and navigational charges, depreciation of rupee value, etc.

(b) The details of Pay & Allowances of Air India and Indian Airlines during the last five years are as under:-

(Rs. in crores)

| Year | Pay & Allowances, PF Contributions & Gratuity of IA | Pay & Allowances etc. of AI |
|---|---|---|
| 1995-96 | 474.94 | 532.25 |
| 1996-97 | 604.15 | 618.49 |
| 1997-98 | 694.18 | 742.23 |
| 1998-99 | 751.83 | 850.56 |
| 1999-2000 (Provisional) | 788.00 | 885.55 |

(c),(d), (e),(f),(g) & (h) The fleet of Air India consists of 23 aircraft with average age of 12.9 years. The fleet of Indian Airlines/Alliance Air consists of 53 aircraft with average age of 13.4 years.

No life span is specified for aircraft. The operation of an aircraft may continue subject to its air-worthiness being certified by the DGCA.

Indian Airlines has already initiated the process of procuring new aircraft for fleet modernization and expansion. In addition, both Air India and Indian Airlines are planning to procure aircraft on dry lease to meet their immediate requirements.